



PRESS RELEASE

AG Gansler Reaches Settlement with CVS Pharmacy over Improper Disposal of Patient Records, Inappropriate Sale of Expired Products

Drug store chain will pay \$250,000 penalty, implement new training and safety measures; Consumers to get coupon if expired items found

Baltimore, MD (August 28, 2013) - Attorney General Douglas F. Gansler today announced that his Consumer Protection Division has entered into a settlement with CVS Pharmacy, Inc., and Maryland CVS Pharmacy, LLC, to resolve allegations that CVS Pharmacy failed to take appropriate security measures to protect the sensitive financial and medical information of its customers. The settlement also resolves allegations that CVS sold and offered for sale products after their expiration or "sell by" dates had passed.

"This settlement speaks to the health and wellbeing of all consumers," said Attorney General Gansler. "Expired products don't belong on store shelves and we know that individuals' personal information, if exposed, could lead to serious problems."

The Division investigated concerns that CVS pharmacies were throwing records containing personal identifying information, including health information in open dumpsters.

The Division also investigated CVS pharmacies' alleged sale of expired products, including baby formula, dairy products and over-the-counter drugs, including infant, children and adult medications and vitamins.

Under the Maryland Consumer Protection Act, it is an unfair and deceptive trade practice for a business to attempt to dispose of records containing its customers' personal information without taking reasonable steps to protect against unauthorized access to or use of them. It is also an unfair and deceptive trade practice to offer for sale a product that is no longer effective for its intended use.

The Division alleged that CVS Pharmacy had inadequate policies and procedures to prevent the sale of expired products and to protect consumers' personal information. Furthermore, CVS failed to monitor and enforce procedures that were in place and intended to safeguard consumers.

The settlement agreement requires CVS to maintain, revise as needed, and enforce newly established policies and procedures for the disposal of protected health information; implement

an employee training program for handling and disposing of such patient information; conduct internal monitoring; and, report any noncompliance to the Division for three years.

The settlement agreement also requires that policies and procedures be similarly implemented and enforced regarding the sale or offer for sale of expired products. Moreover, for at least three years, CVS registers will prompt cashiers to confirm that dairy products, baby food, infant formula and over-the-counter children's drugs are not expired. Also, for at least two years, CVS will offer consumers a \$2 discount coupon toward any purchase if a consumer finds and turns in an expired product (over-the-counter drugs, edible product, and vitamins and dietary supplements) on store shelves.

CVS will pay the Division \$250,000 to settle the matter.

Additionally, the settlement requires CVS for a three-year period to hire an outside independent auditor to visit every CVS location in Maryland at least once a month to evaluate compliance with the outdated products policies.